

COMMENTARY

DOES DEMOCRACY NEED NAZI PARTNERS?

The Dangerous Course of Our German Reconstruction

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THE democracies have apparently won the "battle of Berlin." But this "victory" has little relevance to the hard core of the German problem. Policy seems still to flounder among such abstract slogans as "reconstructing a prosperous, democratic Germany"—"safeguarding Europe against a war-making Germany"—"saving Germany, the industrial heart of European revival, for the West." In the meantime, some-

AFTER many months in which the "German problem" seemed to be synonymous with the Berlin air-lift, there has been a resurgence of a deeper interest and concern. The Ilse Koch and von Papen cases; the dismissal of Charles LaFollette; the appearance of old Nazi names in new positions of authority; the forthcoming German industrial exhibit in New York—all have once more brought Germany disquietingly to the fore. Yet the phrase itself—"the German problem"—seems to have lost its bearings and to be drifting with the tides of journalistic stereotypes and political oratory. NICOLAS CLARION here analyzes the major trends in German politics and German society today, and attempts to define the "German problem" in a way that is relevant to the actualities of world politics, and to the declared central aim of American policy—the reconstruction of Germany into a democratic society. M. Clarion is a Rumanian-born French journalist who has contributed articles on Central and Eastern Europe to many periodicals, here and abroad. His book, *Le Glacis Soviétique* ("The Soviet Buffer"), was published last year in Paris.

how, the fundamental reality is persistently overlooked.

Germany, as the word is today casually employed in thought, speech, and print, no longer exists; nor, in view of the unsolvable antagonisms of the Eastern and Western occupying powers, will it exist within a foreseeable span of time. We visualize Germany as a geographical-political entity—which is exactly what it is not. There are two Germanies, separated by a new frontier far more real than any so-called natural boundaries. The geopolitical coordinates, fixed and immutable according to classic German theory, have been impudently altered by war and politics; the Eastern and Western zones of Germany are separated not only by a heavily patrolled border but by widely contrasting economic and social systems.

Our image of the Germanies today is further falsified to the extent that we persist in using political terms proper only to autonomous states: political structure and alignment, programs of the political parties, the role of the press, and so forth. We forget the simple, all-pervasive fact that military occupation—as well as the tension between the occupying powers—makes German politics and culture essentially "abnormal" and unreal.

At the same time, the realities are there, hard at work at their own tasks. The heart of the struggle is not Berlin, despite its present

glamor as a center of international crises, for the former capital has long lost its role as the keystone of a national structure. In Eastern Germany, the realities revolve about a political axis defined by the Soviet government and its servile Socialist Unity party. In Western Germany, they cluster about the resurrection of the Ruhr—the gigantic industrial ganglion which controls the reflexes of that fantastically artificial entity, Trizonia.

THE Ruhr valley, lying in the British zone of occupation in Germany, remains Europe's most important industrial conglomeration. Today as yesterday, Western Germany's fate as well as that of her neighbors is tied to the Ruhr—Germany's forge and arsenal, the basic sinew of German power. Its steel factories, established side by side with coal or coke depots, produced one-fifth of the world's steel production before the war. Allied bombings, particularly in 1943, struck heavy blows at the factories of these regions; Essen, Dueseldorf, Dortmund, Hamborn, etc., were badly hit. However, despite these wounds—which include the death of a large proportion of the skilled workers, a crisis in housing and food, the disruption of relations between city and countryside, the wearing out of industrial material and equipment—economic life has resumed once more, with an astounding intensity. Daily coal production surpasses 325,000 tons (compared with 400,000 in 1936); steel production has leaped from 1,115,000 tons in 1945 to 7,300,000 tons in 1948. The goal in two years is set at 10,700,000 tons (compared with 16,000,000 tons in 1938). Thanks to the Ruhr, the entire industry of the Western zones is resuming its regular and precise movement.

The Ruhr has been a typical example of what the Germans call a *Verbundwirtschaft*—a trustified economic organization. Six gigantic vertical trusts—the Vereinigte Stahlwerke, Krupp, Mannesmann, Hoesch, Kloeckner, and Gutehoffnungshuette—each controlled their own mines, ovens, cokeries, and steel mills, and together dominated 90 per cent of the region's production. Two horizontal cartels—the Rheinisch-Westfälisches Kohlen

Syndicat (RWKS) for the coal producers, and the Rohstahlgemeinschaft for the steel producers—bound the trusts together.

To break this potent industrial machine the Allies announced, immediately after Germany's capitulation, that they had agreed upon a whole series of steps. First of all, they foresaw the "decartelization" and "decentralization" of the *Konzern*, the vertical trusts as well as the horizontal cartels. Other agreements were to have paved the way for establishment of control over the management of these enterprises and the distribution of their products.

However, from the outset the Allies have been at fundamental cross-purposes. The French, intent upon depriving the Germans of their "potential for aggression," have insistently proposed the Ruhr's detachment from Western Germany and the creation of an "international regime" for this new "independent" region. None of the other occupying powers has accepted the French thesis. The British and Americans both regard an independent Ruhr as an "economic monstrosity," the creation of which would result in an impoverished rump-Germany, even should the country ever be unified. (The Russians, for their part, while donning the mantle of German unity, have announced their agreement in principle to an economic internationalization of the Ruhr—provided that they had the right of participation in present and future control bodies.)

In Ordinance No. 75 published at Frankfurt last November, the Anglo-American occupation authorities decided that the ultimate decision regarding ownership of the Ruhr industry would be left to a "freely elected German government." This horrified the French, who expressed their opposition to any return of these properties to the Germans, especially under the possible form of nationalization, because this might assure a unified direction of the whole Rhine-Westphalian industrial system—a prospect calculated to torment the sleep of the French General Staff. For its part, the British Labor party has affirmed that socialization of the Ruhr enterprises—or public ownership—would certainly prevent the

repetition of past abuses. To further confound the confusion, the Americans support the conception of free enterprise: only last December the administration of the *Land* (province) of Hesse in the American zone received an order to "restore" to former owners coal mines and steel companies that had been made subject to a nationalization program.

More recently, a conference held last December at London reached a compromise extending the control system beyond the date of the "cessation of the occupation": at that time an International Authority for the Ruhr, supported by a Military Security Board, is to become the heir to the powers of control and supervision. The French accepted this most reluctantly and provisionally, while the Russians—unrepresented on any of the control boards—accepted it not at all.

IN THE meantime, to make the Ruhr factories "capable of operating on a responsible and efficient basis . . . and so that they may contribute to the restoration of European economy" (in the words of General Marshall), the British and Americans have issued a broad appeal to the former "management" cadres, and key posts in the new organization of these enterprises have been entrusted to them.

Many Europeans see in all this something more than a mere administrative decision in the interests of efficiency. Even so cautious and sober a newspaper as *Le Monde* (the New York Times of France) discerns the influence of American steel companies, who are reluctant to expand their present production capacity and who aim at eventual participation in German industry. Just how much truth there is in this, it is impossible to say, but it is significant that Europeans accept it as true. What is certain is that American and British Military Government are used to seeing businesses run by business men, regardless of their politics, and that the military mind is more likely to be ruled by habit than by political imagination. No matter how socialist the British government is, or how much Truman is committed to a "managed economy," British and American occupying authorities in Ger-

many remain unmoved; the possibility of socialization and public control, being uncharted territory, is felt to be radically upsetting. As for the French, to them a *boche* is a *boche*, and the distinction between Nazi and non-Nazi is an idle refinement.

Whatever the motives behind the move (and the chances are that they are multifarious and perhaps even self-contradictory), German managers were charged with the task of "decartelization." As early as the beginning of 1946, the British placed at the head of the services handling the iron and steel industry (Treuhandverwaltung für die Eisen und Stahlindustrie) one Heinrich Dinkelbach, former director of the Vereinigte Stahlwerke of Duesseldorf and spokesman since 1935 for the steel cartel. Dinkelbach proceeded to create twenty-one independent enterprises whose directors and administrative councils he designated. By sheer coincidence, his own name can be found on a dozen of these councils.

This "decartelization" did not last very long. Despite its appeal as a vaguely "leftish" slogan, decartelization transgresses the facts of present-day industrial competitive existence, which demands administrative and technological rationalization. "To live in the competitive economy of the world," an American journalist in Germany has explained, "a plant needs more than just machines to produce. It needs a certain amount of guaranteed coal and ore deliveries at a price it can determine. Therefore a certain amount of such vertical integration must be allowed to the mills." The Communists, who insist upon the dissolution of the cartels in the Western zone, aim simply at economic anarchy from which they hope to reap a political profit; the most rigid and powerful German cartels are operated by the state in the Soviet zone. The only real question is: who shall govern the cartels? And in answering this question, American policy has made its greatest blunder. A cautious military hierarchy, fearful of irritating certain powerful conservative congressmen, and with its eye mainly focussed on forthcoming budget appropriations, has refused to take any step to encourage the democratic-socialist forces.

The "decartelized" enterprises are being regrouped in eleven giant holdings whose management is to be entrusted, under Allied supervision, to German "trustees." It was proposed that among these trustees there should be included such personages as the above-mentioned Dinkelbach; Werner Albert, former member of the managing board of Kronprinz A.G.; Karl Barich of the Westfaelisches Elektrizitaet A.G.; Guenther Henle, director of Kloeckner A.G.; Wilhelm Engel, director of the Hoesch *Konzern*; Guenther Sohl of the Vereinigte Stahlwerke—all of whom had these posts under the Nazis. As a result of trade-union and socialist pressure, this list was revised to include some so-called "technicians" and a few vague figures reputed to have had some connection with the trade-union movement. But Dinkelbach, Barich, and Henle remain the dominating members. There are other old acquaintances who have been appointed to important industrial posts: Alfred Hugenberg, minister in Hitler's first cabinet; Ernest Poensgen, Schwede, Rohland—all of the Vereinigte Stahlwerke, and the last-named a member of the SS and a confidante of Speer's; and so on *ad nauseam*.

THIS return of "managers" and "specialists" extends to other sectors of the economy. In the coal companies, Heinrich Kost, nominated by the British and confirmed by the American authorities as head of the direction of mines (*Kohlenbergbauableitung*), is the counterpart of Dinkelbach. A former director of the Rhein-Preussen Gewerkschaft, linked to the powerful Gutehoffnungshuette, Kost was one of the directors of the war economy. With him we find the slave-labor employer Rudyer Schmidt of the Harpner Bergbau, who had been spokesman for the coal cartel (RWKS). Wolf Witzleben, condemned by a denazification court, has resumed his management of the Siemens electrical trust, assisted by two war criminals, Johann Benkert and Bruno Pohlman. The lightly white-washed Nazi, Helmuth Vits, has once more taken over directorship of the Vereinigte Glanzstoff factory, a leader in the rayon industry. Harold Rasch, a Mannesmann agent

in territories that had been occupied by the Nazis; Alfred Petersen, of the Frankfurt Metall Gesellschaft; Rudolf Muller, director of chemical products at *Konzern Roehm* and Haas in Darmstadt; Gustav Harmssen, reactionary senator from Bremen who represents the Atlas Werke in the management of the Stinnes trust—all these gentlemen have constituted themselves into something known as the Wirtschaftspolitische Gesellschaft von 1947 (the 1947 Political Economy Club), whose purpose is to attempt to link the interests of German financiers and industrialists with those of their counterparts abroad.

In banking, not a single one of the directors of the six large German banks has been thoroughly investigated. An inquiry was opened up on the subject of the management of the expansionist Dresden and Deutsche banks. It was without effect. Herman Abs, director of the Deutsche Bank (the spinal column of Nazi imperialism's banking system), became financial adviser to the occupation authorities and is now, together with other "correct" Nazis, head of the banking system of the Ruhr and the Western zones. Robert Pferdenges, an old-time Frankfurt banker, is himself on the central economic board of the Anglo-American zones—the Bizonal Economic Council—where he runs affairs in company with the above mentioned Guenther Henle of the Kloeckner Company.

Apparently, Germany's ruling circles are far from having lost "all." After a few spectacular demonstrations (at one time the British arrested seventy-six leading industrialists of the Ruhr), the economic and denazification trials ceased to strike seriously at the heads of Hitler's war economy. The spirit of "objectivity" which has presided over the purges; the "efficiency" that has been behind the recall to key posts of Nazi "technicians"; the freeing of the economy under their management—all this has meant for the greater number of these former Nazis an opportunity to reunite in a sort of occult fraternity, a unique "masonry."

THE psychological sub-soil in which this occult fraternity of Nazism can take root

is fertile with anti-Semitism. Shortly after the liberation, one of the spokesmen for the newly organized Christian Democratic Union declared over Radio Berlin: "Of all the crimes of the Nazi regime, those committed against the German and foreign Jews is perhaps the most frightful. This is a great wrong to be expiated and righted. We want to say to our Jewish fellow-citizens that our doors are wide open to them and we hope they will place the millenary wisdom of their people at the service of . . . a better Germany. . . ."

These words have a melancholy, even mocking, ring today. The brutalization inculcated by a decade of Hitlerism, the return of Nazis to leading positions, the economic distress inherent in defeat and occupation, the slowness with which the displaced-persons camps have been emptied, have all contributed to a sharp renaissance of anti-Semitism.

ON AUGUST 30, 1947 the mutilated corpse of Miscka Czucker, one of the Jewish inmates of the Schlachtensee DP camp, was discovered at the gates of Berlin. This "1947 Jew murder," as the *Weltbuehne* called it, dramatically pointed to the poisoned atmosphere surrounding the displaced Jews who survived Hitler's massacres. Three years after the liberation, *Der Weg*, organ of the German Jewish community, reported that, up to last May, forty-one profanations of Jewish cemeteries had taken place in the British zone, twenty-eight in the American, four in the French, and four in the Russian. The Germans have not yet broken the thread of solidarity that binds them to the Hitler period—if anything, the privations of the last few years have had the reverse effect. Throughout Germany, and among all social classes, one can hear such expressions as: "We were at Stalingrad; we withdrew; we should have done this or that."

"O.d.F." (*Opfer des Faschismus*—victim of fascism) has become a form of insult. The DP's as a whole are considered the "scum of the earth," "center of the black market," a "fester upon the country's body," etc. Last July, at the time of the evacuation of DP's from Berlin, the *Taegliche Rundschau* (organ of the Russian Military Government)

editorialized: "The DP's from Mariendorf and Schlachtensee camps are packing their bags. Everything they managed to sweep together out of the Berlin clearance-sale cannot be taken with them when the Dakotas fly them to the American occupation zone. To clean out the big DP camps, larger capacity machines are necessary than the useless air-bridge program will agree to. Five thousand DP's have been selected to bless the Western zone. Berlin will not say to them *auf Wiedersehen* since it has become only too well acquainted with these modern gypsies without any state who have renounced their fatherland because they prefer a forbidden life of speculation."

Of course, there are DP's who have participated in the black market; some of them, who passed through the hell of the Nazi camps and lost everything, harbor the conviction that German society, or anything appearing to take the place of it, owes them as substantial reparations as possible. But the real center of the black market lies in the top circles of industry and commerce, as well as, often enough, in certain branches of the occupation apparatus. Over a long period, for example, the Rasno Export—a Soviet export company—participated openly in cigarette trafficking, making use of DP's as its intermediaries with the German public.

The German Jewish community proper includes some 18,000 people out of the total of 600,000 who lived in Germany before the Nazis. The most important section, consisting of 7,800 people, is in Berlin. The second largest group is in Offenbach, near Frankfurt. Finally, about 1,400 Jews live in the Russian zone. This community has had to fall back upon itself, and is today isolated from that German society in which a large number of Jews had once thought themselves integrated. Its social composition is not complex: a small group of lawyers, doctors, dentists—particularly in Berlin; several hundred employed in the administrative apparatus, press, and radio of the Eastern zone; a large percentage of small businessmen (clothing, radio, furniture); and a group of manufacturers (principally in the leather industry) in Offenbach.

In the field of politics, Jewish leadership is conspicuously absent—the only striking exception is Jeanette Wolf, a Berlin deputy and prominent in the Social Democratic party.

THE re-emergence of the former management cadres, the loosening of the ties upon industry, and the relative stabilization of finances brought about by the June 1948 monetary reform, have all led to a rapid crystallization of social relationships in Western Germany and to a sharper stratification of the population:

1. The foreground is once more occupied by bankers, managing directors, industrialists, while the traffickers, "chiselers," speculators, etc., who always grow powerful during periods of acute economic instability, are tending to lose their social weight.

2. The little businessmen, the marginal merchants, as well as the whole middle-class layer of lawyers, notaries, teachers, etc., are resuming their traditional places after a purging that affected them only slightly. The little bureaucrat—former Nazi party member—is back in circulation and even advancing in the administrative hierarchy.*

3. The peasants, economically strengthened during the inflationary period, are much more important than in prewar days.

4. The factory workers, who suffered the most from the disruption of normal relations between city and countryside, seem to have emerged from their long night of apathy and prostration. The trade-union movement is active and quite bold in its demands, though it is handicapped by lack of sympathy on the part of the occupying authorities. (Witness the recent dismissal of Charles La Follette—who was an exception—from his position as governor of Wuerttemberg-Baden.)

5. Refugees from the East, consisting of a mass of several million persons, have suffered horribly. Large numbers perished, while the

balance constitutes an enormous contingent of declassed and uprooted elements.

Nationalist, chauvinist, anti-Semitic sentiments have yet to be incarnated in a definitive political organization. Because of the military occupation, the top circles of the hierarchy in industry and in the *Laender* apparatus tend not to assert themselves in political life: for their purposes, the political parties are too submissive to the occupier, or are entirely ineffective whenever they embark upon a real opposition. This basic fact of political life in Western Germany also acts to drive large sectors of the population away from the political arena, and transforms the big political parties into superstructures without genuinely deep roots.

The Social Democratic party, dominant particularly in Berlin and the British zone; the Christian Democratic Union and the liberals who are in the forefront in the two other zones—all function in a rarefied atmosphere above the really significant social trends. Despite their yielding to the temptation to outbid one another in nationalism—as does the so-called Socialist Unity party of the Eastern zone—their weakness can be measured by the fact that they have not broken up the Nazi "masonic" grouping, the reality of which nobody questions.

The recent Social Democratic electoral victory in Berlin does not weaken this thesis. It only emphasizes how certain tests, under conditions of occupation, can achieve results which falsify the reality: almost certainly the majority was given to the Social Democratic party because of its anti-Russian, rather than its pro-socialist, complexion.

Among the thirty political formations now existing in the various zones, there is the League for Germany's Rebirth, formed in the state of Hesse, which claims as its leader Otto Strasser; from his Canadian exile, Strasser informs us that a third World War "costing Germany some five to ten million dead" is the only way to make a "powerful nation" out of Germany again. Similar organizations, such as the National Democratic party, the Conservative German party, the Bavarian Anti-Communist party, and the German

*A recent philological development, noted by the Berlin *Sozialdemokrat*, is revealing on this score. The latest edition of the standard Brockhaus encyclopedia defines a Nazi as follows: "Diminutive of Ignaz, itself an abbreviation of Ignatius." The *Sozialdemokrat* commented: "Even the Brockhaus has been ig-nazified!"

party of the British zone led by the racist Reinhold Wulle, represent only tentative attempts to polarize reactionary nationalist sentiment, rather than pressing dangers. German politics can have no substantial meaning so long as the occupation continues. At that future date when the occupying armies leave, it will be seen that the present political activity is only a froth on the surface of a political sea whose depths have yet to be sounded.

THERE has been some progress in the direction of "federal unification" of the three Western zones (most of it on paper and of uncertain significance).^{*} But the Allies still differ considerably on the speed and extent of Germany's ultimate reconstruction. The Americans approach this problem from the standpoints of military security and the economic costs of throttling German productivity. The British are very sensitive to the effect on their foreign-trade program of a large-scale resumption of German exports, but they also have to face up to the annual deficit of their zone. The French are obsessed with the need for security against another German invasion, and are also conscious of the competition which exists between French and German economies. Moreover, the French zone has practically no deficit for the simple reason that, whatever the situation of the Germans, the French do not permit the books to get out of balance.

Since last year, the Marshall Plan has drawn together the three Western German zones, comprising 64 per cent of the population and 70 per cent of the territory of Potsdam Germany—that is, Germany without the areas ceded to Poland. However, in both the bizonal system (which has unified the Anglo-American zones since 1947) and in the projected Trizonia, the bulk of imports has been and will be paid for principally by advances from American funds. It is obviously not sensible, especially from the

^{*} For several months, sixty-five delegates from the three Western zones, meeting at Bonn, have busied themselves with drawing up a German constitution which will supposedly harmonize the American-French ideal of (German) federalism and the German ideal of unity.

American point of view, to continue industrial dismantlement to meet reparations demands on the one hand and on the other to pay out of the American taxpayer's pocket for imports necessary to feed the Germans. Three different British and American positions, all leading to a single conclusion, have resulted from this dilemma:

In March 1946, under pressure of the Western Powers, the Allied Control Council decided that the capacity of Germany industry should be fixed at 75 per cent of its 1936 capacity (50 to 55 per cent of its 1938 capacity). Dismantlements by each of the occupation authorities were to cease; a Reparations Agency was created and authorized to dismantle 2000 enterprises considered as surplus.

In May 1947, Generals Lucius D. Clay and Sir Brian Robertson, heads of the American and British occupation forces respectively, decided to suspend dismantlements. Some months later, they decided that Germany's productive capacity had to be "equal to or above the 1936 capacity if the country was to survive." The number of factories to be torn down in Bizonia was reduced to 682.

In January 1949, the Humphrey Committee—consisting of five industrialists headed by George M. Humphrey of Cleveland—decided to preserve 150 factories out of these 682 (of which 400 had already either been taken apart or inventoried by the Reparations Agency) so as to allow a further growth in German steel production.

The French have been acutely displeased by this "softening" attitude. (One may note in passing that the French Communists demand massive reparations from the Germans, while the German Communists denounce the "pillaging" undertaken by the Allies "in the guise of reparations.") According to a French memorandum, out of 1,300,000 machines found in the Western zones, "600,000 could normally be allotted to reparations"; almost all of these machines are located outside the French zone. Just how the economy of Bizonia—with its swollen population and agricultural deficiency—could become self-supporting, no one in France has explained.

The reality is that the "deconstruction" of German industry has come to an end in the Western zones. The problem still to be finally resolved is what the structure and political pattern of industrial Germany is to be.

CONFRONTING this Trizonia, now looking for a formal definition of itself in a Constitution and a Statute of Occupation, there is the Russian zone, functioning as an entity entrenched and separated from the rest of Germany. No other zone has been so integrated into a foreign economic system. This integration occurred in three stages: (1) 1945-1946—extensive industrial dismantling and removals of all kinds throughout the zone; (2) 1946-1947—development of Soviet industrial and commercial companies (*Sowjetische Aktiengesellschaften*); (3) 1948—planned production, according to the needs of the Soviet sphere. The former economic and social framework of the Russian zone has been destroyed and a new one erected which is amenable to Russian control.

Junker property ownership was liquidated by the agrarian reform launched at the start of the occupation, and estates amounting to 2,700,000 hectares were distributed to 320,000 families. Thus the new regime established a rather broad political base in the countryside—before an intensive control was instituted over these small property owners, with the help of newly established centers of agricultural machinery which preempted all the zone's available farm equipment.

A banking reform suppressed the old banking system and created five regional banks and a Central German Bank whose capital of one hundred million marks was furnished by the regional banks and central zonal administration. The entire banking system is thus in the hands of the occupier.

Industrial reform was launched during the same period that the Russians began an extensive removal of factories, transport equipment, etc. To allow a resumption of production, three types of ownership were instituted for the industries remaining in the zone: (1) artisanal and small industrial properties were left as a "private sector," in the

hands of small owners; (2) average-sized properties that were either unremovable or of secondary interest to the Russians were placed in the "people's sector" (nationalized property); (3) large properties, decreed to be war booty or designated as "reparations," were seized as the "definitive property" of the Russian administration. By this last act, some one hundred and thirty monopolistic, giant companies, organized into "joint-stock companies" (*Sowjetische Aktiengesellschaften*), have centralized in Russian hands the zonal production of steel, cement, chemicals, cigarettes, leather, textiles, etc., and have been, in effect, economically walled off from the zone itself. Their production goes to Russia, free of charge. Only the theoretical value of the enterprise is listed as part of reparations.

THE most important lever of Russian control, aside from the Soviet Military Administration, has been the German Socialist-Communist Unity party (SED) which controls a network of trade union, cooperative, peasant, women, and youth organizations.

The central core of the SED consists of a nucleus of Communist "die-hards," including German Communists brought to Russia and assimilated by the Russian ruling group (Wilhelm Pieck, Walter Ulbricht, etc.), and Communists from the concentration camps or the emigration who carried out confidential tasks during the period of illegality. Under Russian supervision, this central core guides the zone's political, social, and administrative life. Just below this core there is a layer of former and new party members, tied to the party by their place in the new social structure—directors of administrative services, managers of nationalized enterprises (about 350,000), trade union bosses, management committees, and others. Recruitment of members to this group is a rather complex affair. Some come from former groups of managers, or from the party's rank and file, or from ex-officers of the German army, trained in Russia. Finally, the base of this pyramid is formed by a much more extensive recruitment which forces practically every

worker or employe to belong to one of the "mass organizations" controlled by the SED.

The opposition has been totally mastered. "Bourgeois" parties—Liberal-Democratic party, Christian Democratic Union, National Democratic party (better known as "the party of the little Nazis")—are all weak and have ever less freedom of movement; they serve only to camouflage Russian control as it is exercised through the SED.

The "party of the little Nazis" is one of the most curious organizations the Communists have ever conceived of. The "idea" was launched in April of last year by a newspaper created *ad hoc*, the *National Zeitung*, which, in a typical Nazi style borrowed for the occasion, proposed the creation of "a new party, radically anti-capitalist and bringing together people of truly German beliefs." This paper, becoming aware that such a suggestion "might seem to be suspicious," expressly added: "It is remarkable that it is principally the little Nazis who want a new party. . . . But an attentive reading of our readers' letters indicates that none of them thinks of reviving the National Socialist party. . . ." Two weeks later, two committees formed at Halle and Erfurt sought the legalization of the new party. However, its all too official character prevents it from taking root and exercising its assigned role—namely, to be a controlled safety valve for the mass of former Nazis.

THE Eastern zone's political machine is thus quite complex, despite the well-known rigidity of its remarkably centralized leadership. To this widespread political apparatus and the new industrial bureaucracy, the administrative bureaucracy and the police must be added. According to evidence difficult to verify, the new police force consists of some three hundred thousand men, with Marshal von Paulus' captured Stalingrad army providing most of its top cadres. Before being permitted to serve in this police force, former officers and Nazi soldiers underwent intensive training in prisoner-of-war camps.

Social stratification in that part of Germany dominated by the SED—*Sedistan*, the

Germans ironically call it—is entirely different from that in the Western zones:

1. The extensive and multiform political, industrial, and administrative apparatus derives from all the former social layers of the region. According to statistics dealing with administrative leaders, their composition is as follows: 5 per cent were formerly capitalist managers; 32 per cent were businessmen; 24 per cent were engineers; 12 per cent were employes; 27 per cent were workers.

2. The majority of former industrialists and land owners have fled the country. On the eve of Germany's capitulation, thousands of enterprises were abandoned. Nationalization has appreciably contracted the operating sphere of private capital. Middle-class enterprises are now in process of liquidation also, because of the extension of state commerce, strict control over the artisan, etc.

3. Workers and technicians are extremely differentiated. Thanks to the system characteristic of all countries within the Soviet sphere, ranges in salaries are very great. At the base, wages are very low. But a whole series of bonuses, in cash or food products (grains, eggs, fat, sugar, etc.), which vary according to the hierarchical scale, radically modifies the over-all value of wages. These bonuses vary from one to ten or even fifteen times the base wage scale.

4. A redistribution of social wealth is now taking place throughout the countryside. After permitting a brief development of the more well-to-do peasantry, leadership in the villages is passing into the hands of state-controlled cooperatives.

The Russian zone, then, organizationally and structurally presents the same characteristics as a number of the "popular democracies"—notably Rumania and Hungary, both former "enemy" lands where Russia has assured itself of permanent economic control. The SED's political objective still remains the domination of all of Germany—not merely the Eastern zone. But the obstacle it inevitably comes up against is that economic exploitation combined with political repression has made the Russian occupier equally detested in all zones.

THE former allies who today face one another at Berlin could not have known what the stakes were at the Potsdam Conference. Denazification, demilitarization, democratization, etc., when translated into day-to-day life—not as functions of general principles, but in the interests of the now hostile occupiers—have yielded results that were partly unforeseeable three years ago. The return of Nazi “technicians” to leading posts in the West; the transformation of the Eastern zone into an oriental type of satrapy directed from Moscow; the more or less relative “demilitarization” of industry, with the accompanying concentration of the military forces of four powers at Europe’s center; the majority rule of political parties, with the indisputable fact that all this remains only superstructural and has not taken hold of the country’s psychology—these characteristics of the new Germanies have made more problematic than ever the country’s reintegration into a peaceful Europe.

The “struggle for Berlin” has strikingly illustrated the centrifugal force which the rump Germanies have generated. For the Russians, seizure of the Berlin enclave meant placing themselves in the best possible position for demanding that their handpicked politicians be first in line for the succession to all of Germany; it was, besides, the surest way of double-locking a door opening on their rigid, centralized system in Eastern Europe. (There was also the not quite negligible factor of Berlin’s intrinsic value—the contribution of this city to Germany’s national revenue before the war was equal to that of all German territories now ceded to Poland.) For the Allies, holding fast at Berlin meant tracing a limit to Russian expansionism. From *both* sides, the problem seems to be one of deciding the *most favorable dismemberment of the country*, rather than any theoretical “reunification.” The Communists and extreme nationalists may shriek for “unity,” but no one wants unity except on his own terms.

The vaster problem of a peace treaty with Germany has become even more insoluble than any agreement over Berlin. Since the

Eastern zone has an ironclad political and police apparatus, the Russian troops could easily be withdrawn. Such a Russian gesture, though actually meaningless, would make excellent propaganda. In the West, on the other hand, an Allied withdrawal would completely change the face of European politics; it would not only lead to the loss of Western Germany, but would mean the collapse of Western Europe’s military security organization. Indeed, such is the imbalance between the Eastern bloc’s strength, directed by Russia, and that of Western Europe, that only the division of Germany and the presence of American troops maintain the equilibrium.

Could the appearance of a German democracy with a broad popular base lead to the construction of a Western Germany which would really rely upon its own strength? It would seem to be very late for such an event—the existing gap between the political superstructure and the economic infra-structure dominated by ex-Nazis inhibits it. But it is true that some elements of the German population constitute a soil favorable to the growth of genuine democratic conceptions. In the broad mass of the Social Democratic party and particularly in its youth section (Sozialistische Jugend), for example, are found many people who are searching for new roads. In the universities, among the student youth and the young intellectuals, one finds an absolute opposition to both a revival of neo-Nazism and any turning toward Russian-style “socialism.” Such tendencies toward independent thought and action meet with the smallest degree of encouragement from all sides. The occupying authorities conspicuously ignore democratic-minded trade unionists, technologists, and intellectuals when appointments to important posts are made; there is still the bizarre myth that having been a member of a board of directors of a business in Nazi Germany is *prima facie* evidence of indispensable technical skill. Yet it is this embryonic democratic impulse which represents the only hope for this scarred mass of seventy million people—if only the Allied occupation authorities can be persuaded to act more as midwives and less as abortionists.